

Mine Name: Doddy Dogract

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

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Division Director

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Inspection Report Minerals Regulatory Program

October 6, 2009

| Reviewed: | CF |
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Dannit Number C/015/0046

| Elements of Inspection | Evaluated | Comment | Enforcement | |
|---|-----------------------------|---------|-------------|--|
| Other Participants: None | Mine Status: Inactive | | | |
| Inspector(s): Brett Gregory for Wayne Western | Time : 4:00 pm | | | |
| Operator Name: T. J. Clark | Inspection Date: 08/20/2009 | | | |
| Wille Hame. Daddy Dealest | Tellitt Number. S/015/0040 | | | |

| | Elements of Inspection | Evaluated | Comment | Enforcement |
|-----|--|-------------|-------------|-------------|
| 1. | Permits, Revisions, Transfer, Bonds | \boxtimes | \boxtimes | |
| 2. | Public Safety (shafts, adits, trash, signs, highwalls) | \boxtimes | | |
| 3. | Protection of Drainages / Erosion Control | \boxtimes | \boxtimes | |
| 4. | Deleterious Material | \boxtimes | \boxtimes | |
| 5. | Roads (maintenance, surfacing, dust control, safety) | | | |
| 6. | Concurrent Reclamation | | | |
| 7. | Backfilling/Grading (trenches, pits, roads, highwalls, | | П | |
| | shafts, drill holes) | | Ш | |
| 8. | Water Impoundments | | | |
| 9. | Soils | | | |
| 10 | Revegetation | | | |
| 11. | Air Quality | | | |
| 12 | Other | \boxtimes | \boxtimes | |
| | | | | |

<u>Bond Amount</u>: \$20,000 (LOC) **<u>Permit fee</u>**: Current

Purpose of Inspection: This was a routine inspection of the site.

Inspection Summary:

- 1) The bond escalation date is 10/16/2010.
- 3) There are deep ruts in the road shown in the photographs below that need to be repaired (see regulation R647-3-107.3).
- 4) Several containers found were not labeled and have unknown fluid in them. Materials left in this condition require either (1) removal of the substance from the site, or (2) construction of a containment facility to properly label and store the material. Whichever option is chosen will have a fixed cost associated with it. In this case, if the substances are going to be left on site, then the reclamation bond will likely need to be increased. Additionally, if the substances are to be removed and are not done so in a timely manner, then enforcement action may be taken and an associated fine applied. (See regulation R647-3-107.4)

The old batteries found in the photographs below will also need to be disposed of or appropriately stored.

12) Several large boulders are on a 45-degree slope and present a possible safety hazard. The rocks have the potential to roll onto the public road below. The Division and the Bureau of Land Management require the site be safe. (See regulation R647-3-107.1).



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Conclusions and Recommendations:

There are basically four main issues that need to be addressed. First, the bond escalation date is approaching shortly and adjustments will need to be made. Second, as per EPA guidelines, all unlabeled materials are viewed as hazardous. This will require unlabeled deleterious materials be removed or securely stored in such a way that potential spill hazards are minimized or eliminated. Third, sediment control practices should be implemented to keep stockpiled material from entering drainage ditches and leaving the containment site. Constructing water bars, check dams, berms, and sediment traps typically can help to minimize the erosion. The fourth and final recommendation is a rock fall analysis to ensure safety is not compromised. It is the operator's responsibility and burden of proof to show the site is stable and not hazardous to the public.

Inspector's Signature

BG:vs

cc: Thomas J Clark, Operator

Chris Conrad, Price BLM

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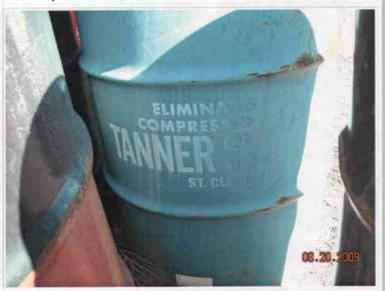


Secured gate. (No issues found)



These batteries and canisters must be labeled and contained properly.

Ore stockpile location. (No issues found)



Possibly the only container labeled.



A sediment trap or berm repair is needed here.

Lower pad where runoff has accumulated and breached the perimeter.



Loose rock. (View of disturbance furthest to the north.)



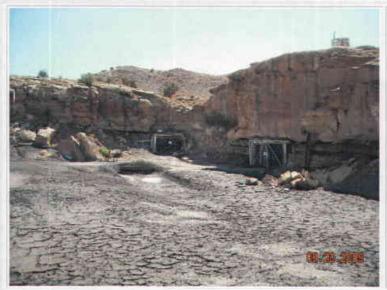
Potentially unsafe rock that may roll down to the road below.



Piled rock and overburden.



Rock that has dislodged from a highwall.



Portals. (No issues found)



Overburden and visible reels. (Sediment is not allowed to leave the site.)



Adit. (Potentially unstable rocks on the right?)



Ephemeral runoff that has carried sediment from the disturbance.